

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1008 Session of
1997

INTRODUCED BY SEMMEL, E. Z. TAYLOR, TIGUE, MILLER, TRELLO,
HERSHEY, ARMSTRONG, LEH, ROONEY, YOUNGBLOOD, HERMAN, FLICK,
L. I. COHEN, DENT, LYNCH, HENNESSEY, SCHULER, GODSHALL, BUNT,
ADOLPH, STAIRS, BROWNE, McCALL, D. W. SNYDER, BELARDI,
RUBLEY, FARGO, LAUGHLIN, BELFANTI, NAILOR, ARGALL, EGOLF,
FAIRCHILD, RAMOS, BOSCOLA, SHANER, J. TAYLOR, SAINATO,
STEELMAN AND GEIST, MARCH 19, 1997

REFERRED TO COMMITTEE ON FINANCE, MARCH 19, 1997

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," providing for a credit against the corporate net
11 income tax.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
15 the Tax Reform Code of 1971, is amended by adding a section to
16 read:

17 Section 402.2. Credit Against Tax.--(a) A corporation shall
18 be allowed a credit, to be computed as provided in this section,
19 against its corporate net income tax. The credit shall be an
20 amount equal to:

1 (1) Fifty per cent of the net costs expended by the
2 corporation during the tax year for the operation and
3 maintenance by the corporation of a not-for-profit adult center
4 for parents of the corporation's employees, plus fifty per cent
5 of the annual depreciation allowance or capital expenditures for
6 the construction or renovation of the adult center, if the
7 following requirements are met:

8 (i) The adult center has been issued a valid license and
9 certified by the Department of Public Welfare or by the
10 Department of Aging after January 1, 1993.

11 (ii) Parents of the taxpayer's employees utilize the center
12 on a regular basis.

13 (iii) At least fifty per cent of the employees utilizing the
14 adult center are not stockholders who own more than ten per cent
15 in value of the stock of the corporation.

16 (iv) The adult program equitably benefits groups of employees
17 who qualify under a classification set up by the employer which
18 is not discriminatory in favor of highly compensated
19 individuals, officers, shareholders or owners or their
20 dependents.

21 (v) At least eighty per cent of the individuals utilizing
22 the adult center shall be parents of the corporation's employees.

23 (2) Fifty per cent of the contributions made by a
24 corporation to an adult center not operated by the corporation,
25 if the following requirements are met:

26 (i) The adult center has been issued a valid license and
27 certified by the Department of Public Welfare or by the
28 Department of Aging after January 1, 1993.

29 (ii) At least fifty per cent of the employees utilizing the
30 adult center are not stockholders who own more than ten per cent

1 in value of the stock of the corporation.

2 (iii) The adult program equitably benefits groups of
3 employees who qualify under a classification set up by the
4 corporation which is not discriminatory in favor of highly
5 compensated individuals, officers, shareholders or owners or
6 their dependents.

7 (3) Fifty per cent of the contributions made by the
8 corporation to be used in Pennsylvania toward the purchase by
9 the corporation's employees of an adult program for the employees'
10 parents from a licensed adult provider other than that provided
11 for in paragraphs (1) and (2), provided that the adult program
12 equitably benefits groups of employees who qualify under a
13 classification set up by the corporation which is not
14 discriminatory in favor of highly compensated individuals,
15 officers, shareholders or owners or their dependents.

16 (b) The credit allowed under this section for any taxable
17 year shall not exceed the amount due that year pursuant to this
18 article.

19 (c) As used in this section:

20 (1) The term "adult center" or "center" means an older adult
21 daily living center, as described in the act of July 11, 1990
22 (P.L.499, No.118), known as the "Older Adult Daily Living
23 Centers Licensing Act."

24 (2) The term "adult program" or "program" means older adult
25 daily living services, as described in the "Older Adult Daily
26 Living Centers Licensing Act."

27 (3) The term "highly compensated individuals" means those
28 individuals who, in the aggregate, receive the top twenty-five
29 per cent of all employee compensation paid by the taxpayer.

30 Section 2. This act shall apply to taxable years commencing

1 on or after January 1, 1997.

2 Section 3. This act shall take effect in 60 days.